



General Assembly

February Session, 2008

Raised Bill No. 493

LCO No. 2446

02446_____PD_

Referred to Committee on Planning and Development

Introduced by:
(PD)

AN ACT CONCERNING REAL PROPERTY TAX BENEFITS AND ABATEMENTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-129s of the 2008 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective October 1, 2008, and applicable to assessment years commencing on*
4 *or after October 1, 2008*):

5 Any municipality may, by vote of its legislative body or, in a
6 municipality where the legislative body is a town meeting, by vote of
7 the board of selectmen, provide [a property tax] an exemption for all or
8 a part of the property tax due with respect to motor vehicles that are
9 exempt from sales and use taxes under subdivision (110) or (115) of
10 section 12-412 of the 2008 supplement to the general statutes.

11 Sec. 2. Section 12-502b of the general statutes is repealed and the
12 following is substituted in lieu thereof (*Effective October 1, 2008, and*
13 *applicable to assessment years commencing on or after October 1, 2009*):

14 When the Commissioner of Revenue Services makes a deficiency

15 assessment for any taxes payable under this chapter to the state, the
16 commissioner is authorized to make a deficiency assessment for any
17 taxes payable under this chapter to a municipality and to hold a
18 hearing, when requested in writing by any person aggrieved by the
19 action of the commissioner or his authorized agent in fixing the
20 amount of any tax, penalty or interest provided for by this chapter on
21 or before the sixtieth day after notice of such action is delivered or
22 mailed to such person. The deficiency assessment for any taxes
23 payable under this chapter to a municipality shall bear interest at the
24 rate of one per cent per month or fraction thereof from the date when
25 the original tax was due and payable. When it appears that any part of
26 the deficiency for which a deficiency assessment is made is due to
27 negligence or intentional disregard of the provisions of this chapter or
28 regulations adopted under this chapter, there shall be imposed a
29 penalty equal to ten per cent of the amount of such deficiency
30 assessment, or fifty dollars, whichever is greater. When it appears that
31 any part of the deficiency for which a deficiency assessment is made is
32 due to fraud or intent to evade the provisions of this chapter or
33 regulations adopted under this chapter, there shall be imposed a
34 penalty equal to twenty-five per cent of the amount of such deficiency
35 assessment. No taxpayer shall be subject to more than one penalty
36 under this section in relation to the same tax period. Once a deficiency
37 assessment for any taxes payable under this chapter to a municipality
38 is no longer the subject of a timely filed administrative appeal to the
39 commissioner or of a timely filed appeal pending before any court of
40 competent jurisdiction, the commissioner may collect, on behalf of
41 such municipality, such taxes, and all interest and penalties added
42 thereto by law, under the provisions of section 12-35 as if such taxes,
43 penalties or interest due such municipality were "tax due the state", as
44 such term is defined in said section 12-35, and as if such term expressly
45 included taxes, penalties or interest due to such municipality. Such
46 taxes, and all interest and penalties added thereto by law, shall be
47 treated, for purposes of subsection (a) of section 12-39g and for
48 purposes of subsection (a) of section 12-739 as if they were taxes due to

49 the state. The state shall remit to the municipality in which the real
 50 property or interest conveyed is located the amount from any
 51 deficiency assessment that is equal to the deficiency in payment of
 52 taxes to the municipality under subdivision (2) of section 12-494 of the
 53 2008 supplement to the general statutes.

54 Sec. 3. Section 12-170v of the general statutes is repealed and the
 55 following is substituted in lieu thereof (*Effective October 1, 2008, and*
 56 *applicable to assessment years commencing on or after October 1, 2008*):

57 (a) Any municipality, upon approval of its legislative body may
 58 provide that an owner of real property or any tenant for life or for a
 59 term of years liable for property taxes under section 12-48 who meets
 60 the qualifications stated in this subsection shall be entitled to pay the
 61 tax levied on such property, calculated in accordance with the
 62 provisions of subsection (b) of this section for the first year the claim
 63 for such tax relief is filed and approved in accordance with the
 64 provisions of section 12-170w, and such person shall be entitled to
 65 continue to pay the amount of such tax or such lesser amount as may
 66 be levied in any year, during each subsequent year that such person
 67 meets such qualifications, and the surviving spouse of such owner or
 68 tenant, qualified in accordance with the requirements pertaining to a
 69 surviving spouse in this subsection, or any owner or tenant possessing
 70 a joint interest in such property with such owner at the time of such
 71 owner's death and qualified at such time in accordance with the
 72 requirements in this subsection, shall be entitled to continue to pay the
 73 amount of such tax or such lesser amount as may be levied in any year,
 74 as it becomes due each year following the death of such owner for as
 75 long as such surviving spouse or joint owner or joint tenant is qualified
 76 in accordance with the requirements in this subsection. After the first
 77 year a claim for such tax relief is filed and approved, application for
 78 such tax relief shall be filed biennially on a form prepared for such
 79 purpose by the assessor of such municipality. Any such owner or
 80 tenant who is qualified in accordance with this section and any such
 81 surviving spouse or joint owner or joint tenant surviving upon the

82 death of such owner or tenant, shall be entitled to pay such tax in the
83 amount as provided in this section for so long as such owner or tenant
84 or such surviving spouse or joint owner or joint tenant continues to be
85 so qualified. To qualify for the tax relief provided in this section a
86 taxpayer shall meet all the following requirements: (1) On December
87 thirty-first of the calendar year preceding the year in which a claim is
88 filed, be (A) seventy years of age or over, (B) the spouse of a person,
89 seventy years of age or over, provided such spouse is domiciled with
90 such person, or (C) sixty-two years of age or over and the surviving
91 spouse of a taxpayer who at the time of such taxpayer's death had
92 qualified and was entitled to tax relief under this section, provided
93 such surviving spouse was domiciled with such taxpayer at the time of
94 the taxpayer's death, (2) occupy such real property as his or her home,
95 (3) either spouse shall have resided within this state for at least one
96 year before filing the claim under this section and section 12-170w, (4)
97 the taxable and nontaxable income of such taxpayer, the total of which
98 shall hereinafter be called "qualifying income", in the tax year of such
99 homeowner ending immediately preceding the date of application for
100 benefits under the program in this section, [was not in excess of] did
101 not exceed the limits set forth in section 12-170aa by more than ninety
102 per cent, as adjusted annually, evidence of which income shall be
103 submitted to the assessor in the municipality in which application for
104 benefits under this section is filed in such form and manner as the
105 assessor may prescribe. The amount of any Medicaid payments made
106 on behalf of such homeowner or the spouse of such homeowner shall
107 not constitute income. The income of the spouse of such homeowner
108 shall not be included in the qualifying income of such homeowner for
109 purposes of determining eligibility for tax relief under this section, if
110 such spouse is a resident of a health care or nursing home facility in
111 this state, and such facility receives payment related to such spouse
112 under the Title XIX Medicaid program. In addition to the eligibility
113 requirements prescribed in this subsection, any municipality that
114 provides tax relief in accordance with the provisions of this section
115 may impose asset limits as a condition of eligibility for such tax relief.

116 (b) The tax on the real property for which the benefits under this
117 section are claimed shall be the lower of: The tax due with respect to
118 the homeowner's residence for the assessment year commencing
119 October first of the year immediately preceding the year in which the
120 initial claim for tax relief is made, or the tax due for any subsequent
121 assessment year. If title to real property is recorded in the name of the
122 person or the spouse making a claim and qualifying under this section
123 and any other person or persons, the claimant hereunder shall be
124 entitled to pay the claimant's fractional share of the tax on such
125 property calculated in accordance with the provisions of this section,
126 and such other person or persons shall pay the person's or persons'
127 fractional share of the tax without regard for the provisions of this
128 section. For the purposes of this section, a "mobile manufactured
129 home", as defined in section 12-63a, shall be deemed to be real
130 property.

131 (c) If any person with respect to whom a claim for tax relief in
132 accordance with this section and section 12-170w has been approved
133 for any assessment year transfers, assigns, grants or otherwise conveys
134 subsequent to the first day of October, but prior to the first day of
135 August in such assessment year the interest in real property to which
136 such claim for tax relief is related, regardless of whether such transfer,
137 assignment, grant or conveyance is voluntary or involuntary, the
138 amount of such tax relief benefit, determined as the amount by which
139 the tax payable without benefit of this section exceeds the tax payable
140 under the provisions of this section, shall be a pro rata portion of the
141 amount otherwise applicable in such assessment year to be determined
142 by a fraction the numerator of which shall be the number of full
143 months from the first day of October in such assessment year to the
144 date of such conveyance and the denominator of which shall be
145 twelve. If such conveyance occurs in the month of October the grantor
146 shall be disqualified for such tax relief in such assessment year. The
147 grantee shall be required within a period not exceeding ten days
148 immediately following the date of such conveyance to notify the
149 assessor thereof, or in the absence of such notice, upon determination

150 by the assessor that such transfer, assignment, grant or conveyance has
 151 occurred, the assessor shall determine the amount of tax relief benefit
 152 to which the grantor is entitled for such assessment year with respect
 153 to the interest in real property conveyed and notify the tax collector of
 154 the reduced amount of such benefit. Upon receipt of such notice from
 155 the assessor, the tax collector shall, if such notice is received after the
 156 tax due date in the municipality, no later than ten days thereafter mail
 157 or hand a bill to the grantee stating the additional amount of tax due as
 158 determined by the assessor. Such tax shall be due and payable and
 159 collectible as other property taxes and subject to the same liens and
 160 processes of collection, provided such tax shall be due and payable in
 161 an initial or single installment not sooner than thirty days after the
 162 date such bill is mailed or handed to the grantee and in equal amounts
 163 in any remaining, regular installments as the same are due and
 164 payable.

165 Sec. 4. (NEW) (*Effective October 1, 2008, and applicable to assessment*
 166 *years commencing on or after October 1, 2008*) Any municipality, by
 167 ordinance adopted by its legislative body, may establish a program to
 168 provide property tax relief for taxes due with respect to single family
 169 homes that have been improved and that are owned and occupied by
 170 persons sixty-five years of age and older or who are disabled. Such
 171 ordinance shall further define eligibility and improvements necessary
 172 to qualify for tax relief under the ordinance.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2008, and applicable to assessment years commencing on or after October 1, 2008</i>	12-129s
Sec. 2	<i>October 1, 2008, and applicable to assessment years commencing on or after October 1, 2009</i>	12-502b

Sec. 3	<i>October 1, 2008, and applicable to assessment years commencing on or after October 1, 2008</i>	12-170v
Sec. 4	<i>October 1, 2008, and applicable to assessment years commencing on or after October 1, 2008</i>	New section

Statement of Purpose:

To revise provisions concerning tax relief for fuel efficient vehicles, the municipal optional property tax relief for elderly homeowner and collection of deficiencies under the real estate conveyance tax, and to establish a municipal optional tax relief program for improvements to homes owned by elderly and disabled person.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]